

# CONTROLLER JOHN CHIANG

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## Controller Releases May Cash Flow Figures

**SACRAMENTO** – State Controller John Chiang today released his monthly report detailing California's cash balance, receipts and disbursements in May and through the first 11 months of the fiscal year.

"Personal income tax collections remain strong as we process the final payments from the 2007 calendar year," said Controller John Chiang. "Next month we will start to get an idea of how the slowing 2008 economy will affect this source of revenue, particularly from high-income taxpayers."

Actual General Fund revenue in May was only \$1 million below the latest projections found in the Governor's May Revision proposal. While personal income taxes came in \$283 million higher (12.1 percent) than expected, they were offset by declines in other sources of revenue. Sales tax receipts were down \$124 million (-3.5 percent), and corporate taxes were down \$90 million (-36.1 percent).

"The weakness of the sales tax should have everyone concerned," said Controller Chiang. "The declines in consumer spending illustrate a lack of consumer confidence that not only affects the State budget, but also local governments throughout California."

The State spent \$720 million more than it received in the month of May. For the fiscal year to date, the State has spent \$10.2 billion more than it collected in revenue. The State started the fiscal year with a \$2.5 billion cash balance, leaving a net cash deficit of \$7.7 billion on May 31. The State issued a \$7 billion Revenue Anticipation Note last fall that, along with internal borrowing, is covering this short-term deficit.

The [financial statement](#) and the [summary analysis](#) can be found on the Controller's Web site at [www.sco.ca.gov](http://www.sco.ca.gov).

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